friendly environment to private companies;

(c) if so, the steps proposed to take in this regard; and

(d) to what extent States have agreed to the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) The information is being collected and will be laid on the Table of the House.

Norms for channelising international funds to States

†4237. SHRI BANWARI LAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) the norms followed by Central Government for channelising the financial assistance provided to States by international agencies; and

(b) whether the Central Government has taken any decision to channelise this assistance to States on those conditions at which this assistance has been provided by the international financial institutions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Union Government receives the foreign loan assistance as per the standard terms and conditions of the development partners and till 31st March 2005, it was being released to the State Government by the Union Government as Additional Central Assistance (ACA) in the grant/loan ratio of 90:10 for Special Category States and 30:70 for non Special Category States. Government of India has accepted the recommendation of the Twelfth Finance Commission to pass on external assistance on the same terms and conditions on which it was received. The service cost and exchange fluctuations would also be passed on to the States under this arrangement. Accordingly, in the case of new Projects signed on or after April 1, 2005, the external assistance is passed on to the States on 'back to back, basis. In the case of Special Category States, the old arrangement of transfer of external assistance as ACA in the grant and loan ratio of 90:10 still continuous.

Proposal for diverting excess forex reserve

4238. DR. E.M. SUDARSANA NATCHIAPPAN: Will the Minister of FINANCE be pleased to state:

(a) whether India's forex reserve stood at $ 309.16 billion for the week ending March 28; and

(b) if so, whether Government has any proposal to divert a part of excess reserves for higher return from riskier assets and investing in the co-operative banks for their uplifting and farmers for better financial liquidity to develop the farming sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes Sir. The foreign exchange reserves of the country (including Gold, special Drawing Rights and Reserve Tranche Position in the IMF) stood at US $ 309.16 billion as on March 28, 2008.

† Original notice of the question was received in Hindi.